ABSTRACT

The Indian Economy has witnessed a tremendous improvement over last two decades. The Indian Government has permitted to enter Multinational Corporations in India with which the opportunities for professionals have arisen. A project on skill development was launched by the Government of India and the European Union in New Delhi on 23 May 2012. The main objective of forming this project is to develop a relevant curriculum and also to provide possible employment streams so that there will be no unemployment problem and all the labour force will be utilized. As such the automotive industry of India is one of the largest in the world and of the fastest growing business sector. The compound annual growth rate of Indian automobile Industry from 1951 till 1991 was 14.70% and it was growing rapidly after economic liberalization and globalization’s as a result, Industry has seen a rising attrition ratio in almost any form of Business. Therefore retention of the existing employees is both important in terms of economy and performance of human resources. This study empirically examines the relationship between employee retention practices and factors that influence the employee to remain in the Automobile Industries in India. Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the given project. In order to create a successful company, employers should consider as many options as
possible when it comes to retaining employees, while at the same time securing their trust and loyalty so that they have least desire to leave in the future.

In this occasion this study has adopted Quota sampling method for selecting the Number of respondents and Simple random sampling method has been used to select the respondents. Data were collected from a sample size of 500 respondents from the selected automobile companies namely Ashok Leyland, Force Motors, Eicher Motors, Tata Motors and SML ISUZU based on the product classification as the manufacturers of Light Commercial Vehicle and Heavy Commercial Vehicles. Software for Social Sciences were used for data analysis and interpretation, the results show that organization with adequate employee retention strategies in form of enhanced regular monthly salary package, workers participation in decision making on issues affecting them, job security and provision for welfare improves employee retention. Implication of the results for practice is that any organisation that fails to put in place adequate employee retention is not likely to retain talented and motivated employees.

It has been divulged that most of the employees ranked salary benefit as the main reason to stay in the company. Job Security is the second highest ranked factor for retention of employees in their present organization. Retirement benefit is the least preferred factor by the employees. This indicates that employees are more focused on their monetary benefits and
career development as the key factor so the organization has chosen the best retention practices to retain their present employees.

The summary of findings from the data analyses revealed that most of the employees ranked approachability of superior as the highest so that they are able to execute the task easily. Team work, coordination between employees and employers and superior acts like a coach are mostly influenced factors for superior subordinate relationship. Superior maintaining friendly relationship is giving least rank followed by considering of suggestions, caring for personal welfare. It is inferred from the analysis that employee feel that their superiors are good in getting work done but do not have any personal touch. So the organization should consider this point and should try to provide a cordial relationship, hence it will increase the morale of employees which will increase employee retention.

It has been summarized that irrespective of gender the organization policies remains the same and hence there is no association between gender and length of service. It has been concluded that there exists a significant relationship among length of service and age, educational qualification, marital status and organizational hierarchy.

From the analyses it has been inferred that the significant value is greater than 0.05 for all the factors. It is concluded that gender difference,
educational qualification, age group and marital status exhibit no significant difference exists only for organizational hierarchy.

It has been identified that the sample respondents were grouped on gender, age, educational, martial and hierarchy basis. Since the significance value is greater than 0.05 for all the factors, it may be inferred that ranking made on basis of demographic classification on various factors influence to remain in the organization were same. Employees are satisfied with present organization and retention is good.

It has been studied from analysis that the respondents were grouped on demographic basis. Since the significance value is greater than 0.05 for all the factors, it may be inferred that ranking of employees in different demographic factors are influenced to remain in the organization were same. Hence null hypothesis is framed and accepted. Employees are satisfied with the above mentioned factors and so the organization has adopted a good retention plan.

It has been inferred that the sample respondents were grouped on organizational hierarchy, martial and education basis. There is a significant difference in the rankings on salary, working conditions, fringe benefits and recognition & rewards are greater than 0.05 with respect to the above mentioned segmentation. Hence the null hypothesis is accepted. For the other factors, there is no significant difference in the rankings.
The study has been covered under sections such as Chapter I deals with the introduction part of this study explains the theoretical background of the study. It explains clearly about the concept of employee retention, its importance, need and the various factors that influence an employee to remain in an organization. The regulatory frame work has been discussed in Chapter II which clearly indicates about the administrative policies and regulations of the Automobile companies. Chapter III of this study explains about the research methodology adopted. Descriptive research method has been adopted for the study and simple random sampling method of sampling has been adopted for collecting data for the study. Chapter IV examined the collected data from the questionnaire empirically with suitable statistical tools about employee retention strategies, job satisfaction of employees with reference to organizational culture, work environment, rewards and compensation. Chapter V deals with findings from the study and provides suggestions, recommendations and conclusions.